



Putting All of The Puzzle Pieces Together

Non-Traditional Economic Development as a supplemental economic development strategy

Tennessee Creative Community Summits

May 29, 2013 – Palace Theatre, Crossville, TN

May 30, 2013 – Bryan College, Dayton, TN

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What is Economic Development ?



“No single definition incorporates all of the different strands of economic development. Typically economic development can be described in terms of objectives. These are most commonly described as the **creation of jobs and wealth**, and the **improvement of quality of life**.”

Source: International Economic Development Council



Traditional vs. Non-Traditional

- **Traditional**

- **Manufacturing / industrial parks**
- **Site selection consultants**
- **Leads generally driven from top down**
- **Attract & retain with monetary incentives**
- **Economic Developers “create jobs”**
- **Mainly Reactionary Approach**
- **High cost per job**



*“Are States Giving
Away the Store?
Attracting Jobs Can Be
A Costly Adventure”*

St. Louis Fed



Costs of Recruiting Manufacturing Industry Jobs

<u>Company</u>	<u>City</u>	<u>Year</u>	<u>Cost</u>	<u>Jobs</u>	<u>Per Job</u>
BMW	Greenville, SC	1992	\$155 M	1,900	\$81,000
Mercedes	Tuscaloosa, AL	1994	\$300 M	1,900	\$193,000
Fed Ex	Greensboro, NC	1999	\$273 M	1,500	\$182,000
Nucor Steel	Hertford, NC	2000	\$155 M	300	\$500,000
Hyundai	Montgomery, AL	2005	\$253 M	2,000	\$126,500

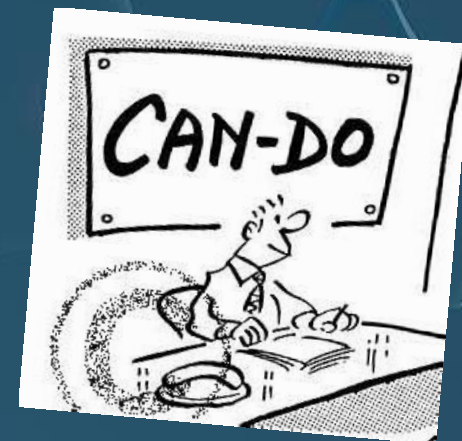
Sources: USC, Moore School of Business, SC Dept. of Commerce, Alabama Dept. of Commerce and NC Dept. of Commerce



Traditional vs. Non-Traditional

- **Non-Traditional**

- Livability / Sustainability / Quality of Life
- Education/workforce development
- Small business, entrepreneurship, incubators
- Tourism
- Retail
 - Franchised developments
 - Main Street / Downtown program
 - “Buy Local” programs
- Talent (All Ages)
 - Young professionals (Telecommute? Technology?)
 - Retirees (transfer of wealth and talent)
- Proactive approach / Low cost per job
- Economic “Gardening” – cultivate the local economy





Economic Development Summarized

Produce something to sell

Manufacturing

Service

Attract people to spend

Tourism

Retail

Talent (of all ages)

Grow from within

Education/workforce development

Incubators

“...the money that people actually pull out of their paychecks and bank accounts to pay for domestically-produced goods and services drives about **40% of economic activity...**”

Source: Dr. Michael Mandel,
Harvard Graduate,
Bloomberg BusinessWeek



Non-traditional economic development strategy:

Recruiting talented people (of all ages)

**“When talented people
choose Chattanooga,
we all win”**

**Mission Statement of
Choose Chattanooga**



Tough questions for non-traditional economic development

Is your community a place that talented people (of all ages) want to live?

If not, what can you do to change that?

How can you highlight your strengths?

How can you mitigate your weaknesses?



« [Santorum leads Romney by 11 in Washington](#) | [Main](#) | [Americans love Hawaii, dislike California](#) »

February 21, 2012

State favorability poll

Over the course of four months starting last October, we asked American voters nationally what their impressions of each state are. Hawaii came out on top, by far, with California bringing up the rear.

State	+/-	Margin
Hawaii	54-10	44
Colorado	44-9	35
Tennessee	48-14	34
South Dakota	42-8	34
Virginia	45-13	32
Montana	39-7	32
Alaska	46-17	29
Oregon	43-14	29
North Carolina	40-11	29

Tennessee has a positive reputation nationally...use it to your advantage!

Bottom 5:

- California
- Illinois
- New Jersey
- Mississippi
- Utah



OUR FINAL 2012 POLLS

PPP POLLS BY YEAR: 2006-2013

--Choose a Year--

SEARCH



Search

CONTACT US

Public Policy Polling

2912 Highwoods Blvd., Suite 201

Raleigh, NC 27604

Phone: 888.621.6988

Questions or Comments?

[Email Us](#)

TESTIMONIALS



Public Policy Polling was profiled by NPR as "one of the most prolific polling outfits in the country." [Read more...](#)



Assess your community

Desired amenities on the increase by rank order:

Walking (83%)

Beach (62%)

Swimming (60%)

Bicycling (51%)

Waterfront (46%)

New custom home (46%)

Gardening (44%)

If you think
walking trails
and bicycling
are “fluff”,
think again!



Assess your community

Desired amenities on the decline by rank order:

Gated community (35%)

Home site/lot (29%)

Private golf club (11%)



Assess your community


Remainder of desired amenities by rank order:

Shopping close by (67%)

Golf (42%)

Boating (35%)

Maintenance-free condo (29%)



Hence, the
importance of
retail,
restaurants,
and quaint
local shops

Leverage your proximity to already successful markets – use regional assets to your advantage

Almost Nashville Ky is located within 50 miles of the Nashville metropolitan area. The great part about *Almost Nashville Ky* is that you can have all of the amenities of Nashville and reap the benefits of being in a less expensive area.




Cities That Are Getting Smarter The Fastest



No. 9: Nashville, TN

Forbes



Leverage your proximity to already successful markets – use regional assets to your advantage

Tri-Cities, TN/VA

(Johnson City-Kingsport-Bristol)

- All the amenities of Asheville, NC are just a hour's drive down I-26
- Beautiful drive with views comparable to Blue Ridge Parkway – without the curves
- Conveniently visit Asheville, don't have to live there 24/7
- The less taxing side of the Blue Ridge – no income tax, no personal property tax, no vehicle tax,
- More house for your buck
- **What successful market is near you?**

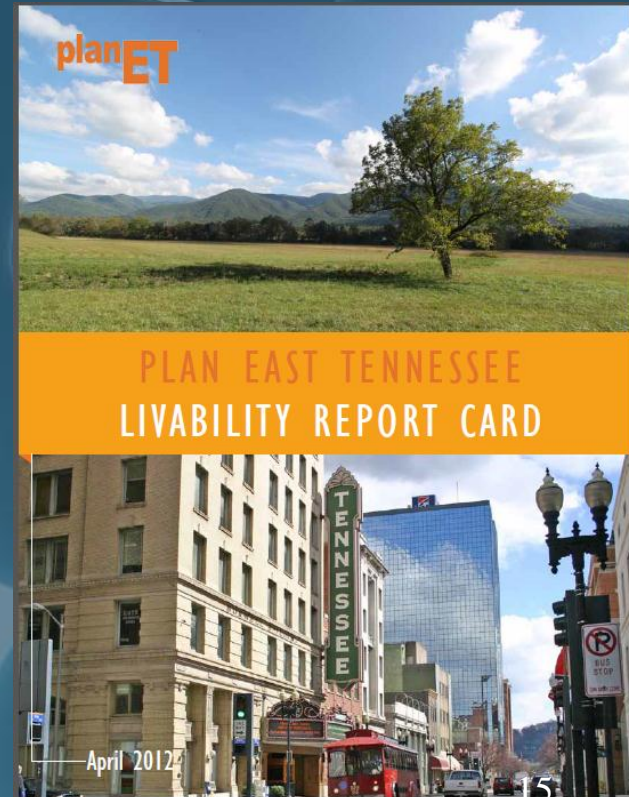




What determines livability?

Assess your community for the amenities that talented people value:

1. Economy & Jobs
2. Transportation & Infrastructure
3. Housing & Neighborhoods
4. Healthy Communities
5. Environment





What determines livability?

1. Economy & Jobs

- Economic Engines
- Employment Levels
- Workforce
- Jobs

2. Transportation & Infrastructure

- Commutes/Congestion
- Costs
- Alternate transportation
- Air travel
- Infrastructure

3. Housing & Neighborhoods

- Housing values, sales and rentals
- Housing tenure (ownership vs. rental)
- Housing affordability

4. Healthy communities

- Rates of disease/illness
- Health insurance
- Access to medical services & healthy foods
- Crime

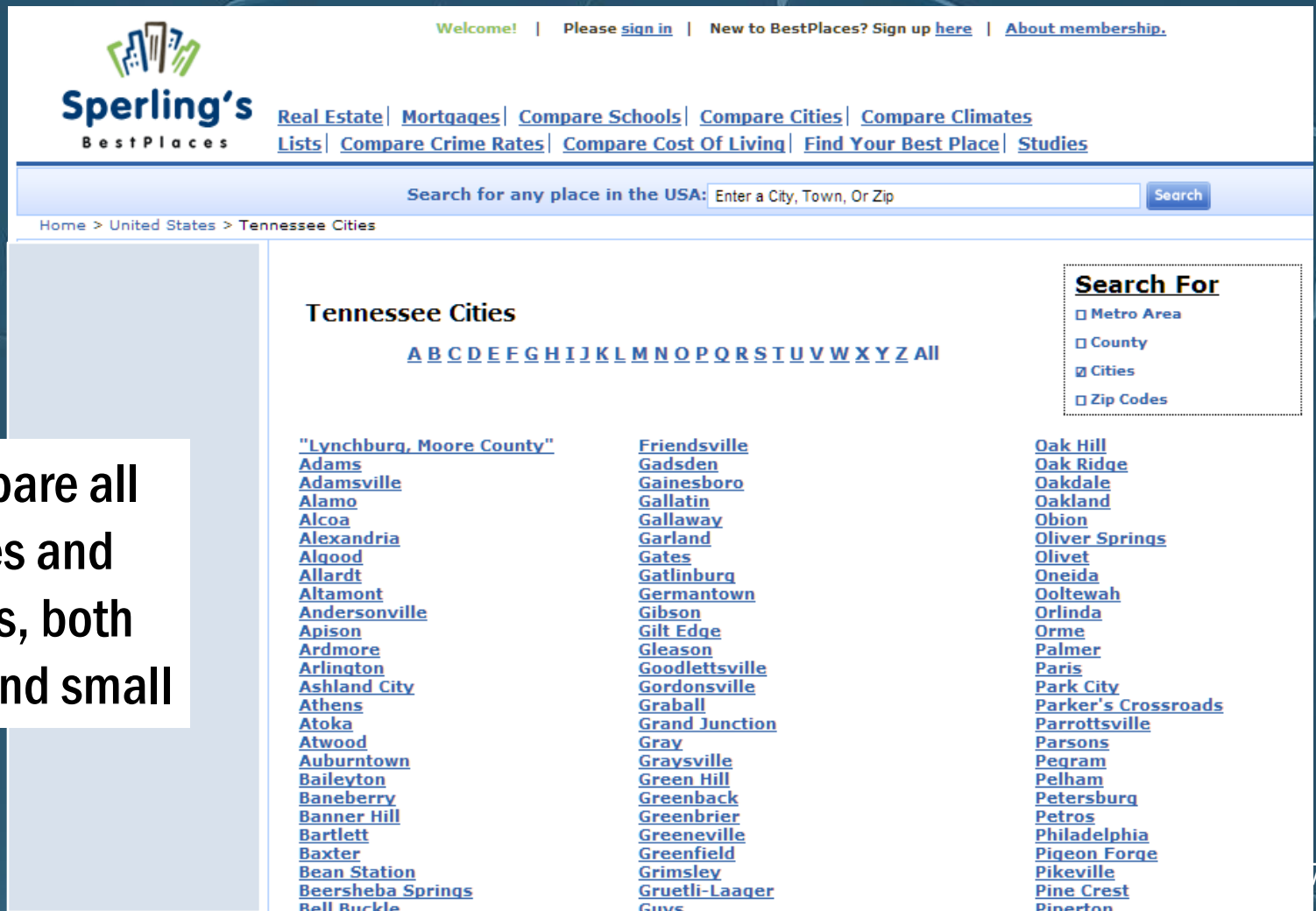
5. Environment

- Air quality
- Water quality
- Agriculture
- Parks, recreation and tourism

www.planeasttn.org



You can find out how your community scores on most of these 5 livability topic areas (and compare to others nationwide) at www.bestplaces.net



The screenshot shows the Sperling's BestPlaces website. At the top, there's a navigation bar with links: Welcome! | Please [sign in](#) | New to BestPlaces? Sign up [here](#) | [About membership](#). Below this is the Sperling's BestPlaces logo. A secondary navigation bar contains links: [Real Estate](#) | [Mortgages](#) | [Compare Schools](#) | [Compare Cities](#) | [Compare Climates](#) | [Lists](#) | [Compare Crime Rates](#) | [Compare Cost Of Living](#) | [Find Your Best Place](#) | [Studies](#). A search bar is present with the text "Search for any place in the USA:" and a "Search" button. Below the search bar, the breadcrumb trail reads "Home > United States > Tennessee Cities". The main content area is titled "Tennessee Cities" and features an alphabetical index: [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#) [All](#). On the right side, there's a "Search For" section with checkboxes: ☐ Metro Area, ☐ County, ☒ Cities, and ☐ Zip Codes. The main list of cities is organized into three columns. The first column starts with "[Lynchburg, Moore County](#)" and lists cities like Adams, Adamsville, Alamo, Alcoa, Alexandria, Algood, Allardt, Altamont, Andersonville, Apison, Ardmore, Arlington, Ashland City, Athens, Atoka, Atwood, Auburntown, Baileyton, Baneberry, Banner Hill, Bartlett, Baxter, Bean Station, Beersheba Springs, and Bell Buckle. The second column lists cities from Friendsville to Guys. The third column lists cities from Oak Hill to Pinerton.

Compare all cities and towns, both large and small

Environment & Economy Co-Exist


Health Ratings (www.bestplaces.net)

2010 South Fork Holston River Environmental Monitoring Studies



THE ACADEMY OF NATURAL SCIENCES
of DREXEL UNIVERSITY
Patrick Center for Environmental Research

	Air Quality (100 is best)	Water Quality (100 is best)	Superfund Sites (100 is best)	Physicians per 100,000 population
Kingsport, TN	46	97	97	393
Denver, CO	45	87	11	545
Phoenix, AZ	14	65	10	246
Seattle, WA	36	59	20	416
Los Angeles, CA	1	52	10	258
Miami, FL	65	50	10	299
Atlanta, GA	6	47	54	472
San Francisco, CA	57	47	80	639
New York, NY	22	40	60	246
Washington, DC	7	40	90	705
Houston, TX	16	37	11	269
Chicago, IL	7	31	10	369
Boston, MA	26	1	99	1007 ¹⁸



Livability: You may already be doing more than you realize!

Archstone Foundation Award for Excellence in Program Innovation

This award has been established to identify best practice models in the field of aging and health. Emphasis will be given to these programs (in operation 10 years or less, but long enough to have documented results) that have effectively linked academic theory with applied practice in the field of aging and public health.

Healthy Steps **in Silicon Valley**

Livable Community Collaborative, **Kingsport TN**



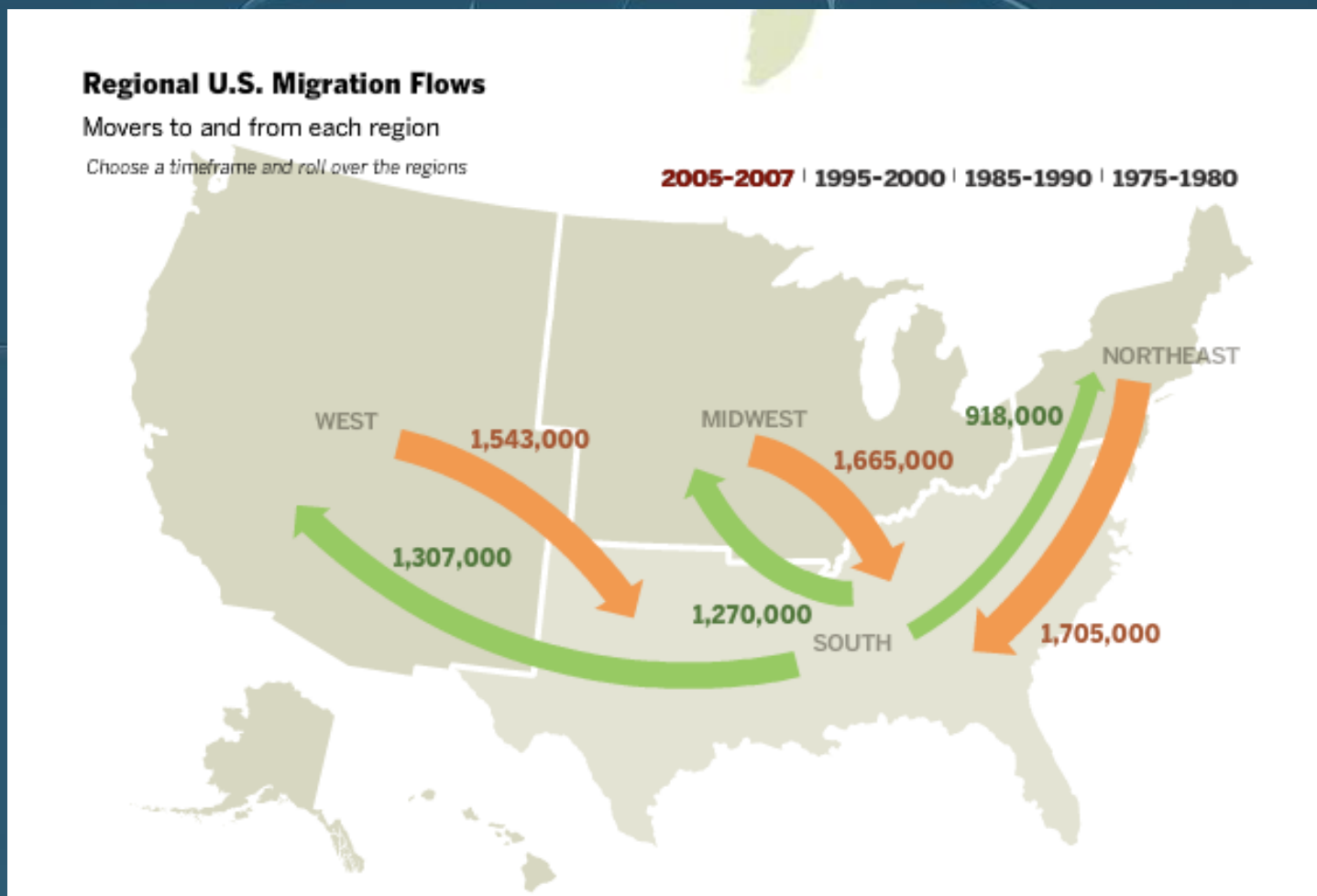
Healthy Steps Silicon Valley

Healthy Steps in Silicon Valley
Accepted by: Pauline de Lange



Livable Community Collaborative, Kingsport, TN
Accepted by: Kathleen Beine, M.D.

Ride the national wave! Grow your community (at a reasonable rate) – not too hot, not too cold, just right



Source: www.pewsocialtrends.org

Retirees = Gray Gold



The **good** life
just got better



[Home](#) [Communities](#) [Visit TN](#) [Geography](#) [Climate](#) [Good Life](#) [Cost of Living](#) [Request Literature](#) [More](#)



Golfing on the River

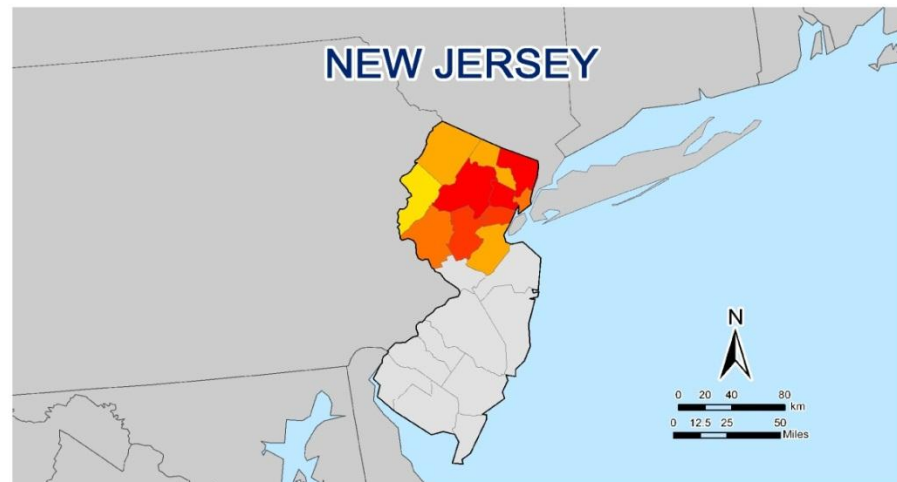
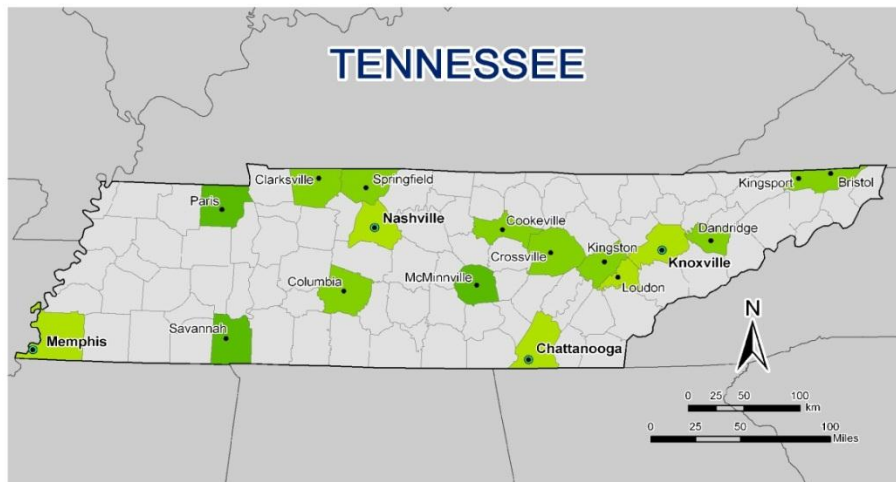


U.S. Population Age 50+

- Number over 66 million
- Own 77% of all privately held financial assets
- Purchase 43% of all new domestic cars and 48% of all luxury cars
- Spend 70% of all travel-for-pleasure dollars
- Eat out in sit-down restaurants an average of 3 times per week
- Spend more on quality children's clothing for their grandchildren than the children's parents do
- Account for 40% of total consumer demand in the country
- **Have \$1 trillion in annual income and almost \$200 billion in discretionary spending ability**

Source: "Retirement Development", a study conducted by Del Webb Corp.

Comparison of Home Sale Prices

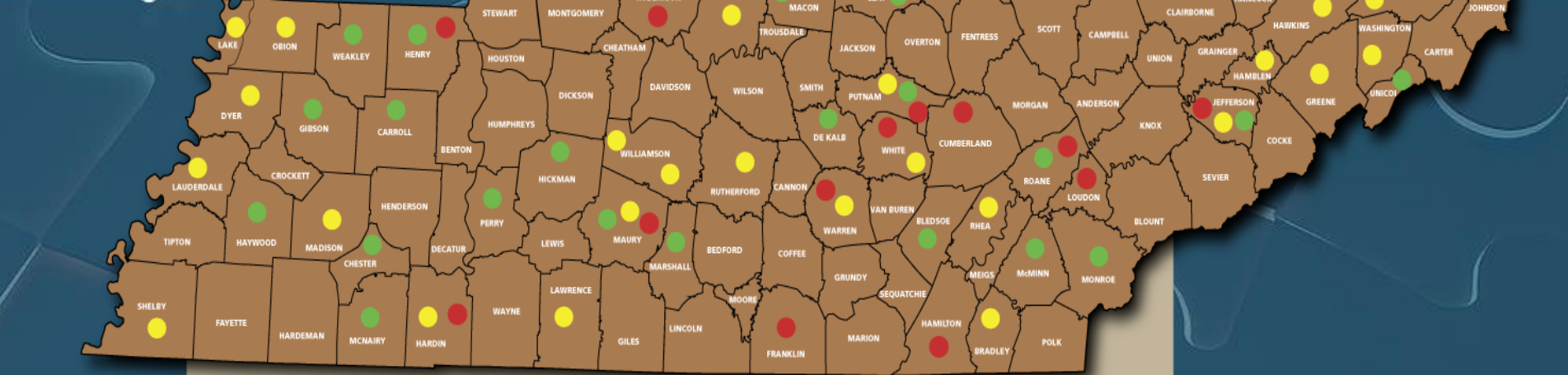


2010 Home Sale Prices - Tennessee			
City	County	Median Sale Price	Property Tax
Crossville	Cumberland	\$134,000	\$662
Nashville	Davidson	\$167,000	\$1,724
Chattanooga	Hamilton	\$154,500	\$1,960
Savannah	Hardin	\$90,000	\$533
Paris	Henry	\$76,000	\$620
Dandridge	Jefferson	\$139,250	\$1,008
Knoxville	Knox	\$165,450	\$1,994
Loudon	Loudon	\$186,400	\$1,219
Columbia	Maury	\$139,950	\$1,367
Clarksville	Montgomery	\$149,000	\$1,535
Cookeville	Putnam	\$129,900	\$1,176
Kingston	Roane	\$132,500	\$1,056
Springfield	Robertson	\$148,500	\$1,277
Memphis	Shelby	\$165,000	\$2,976
Bristol	Sullivan	\$125,000	\$1,350
Kingsport	Sullivan	\$125,000	\$1,272
McMinnville	Warren	\$82,500	\$803



2010 Home Sale Prices - New Jersey			
Boro/City/Town	County	Average Sale Price	Property Tax
Hackensack	Bergen	\$508,850	\$12,011
Westwood	Bergen	\$508,850	\$9,450
Newark	Essex	\$484,950	\$10,354
Short Hills	Essex	\$484,950	\$8,101
Jersey City	Hudson	\$356,051	\$7,233
Lambertville	Hunterdon	\$396,003	\$6,470
New Brunswick	Middlesex	\$321,378	\$6,478
Brookside	Morris	\$473,205	\$8,103
Chatham	Morris	\$473,205	\$7,021
Chester	Morris	\$473,205	\$8,958
East Hanover	Morris	\$473,205	\$6,326
Greystone Park	Morris	\$473,205	\$8,010
Morristown	Morris	\$473,205	\$9,299
Mountain Lakes	Morris	\$473,205	\$9,472
New Vernon	Morris	\$473,205	\$3,774
Parsippany	Morris	\$473,205	\$9,168
Wharton	Morris	\$473,205	\$10,425
Whippany	Morris	\$473,205	\$6,355
Paterson	Passaic	\$340,614	\$7,932
Bridgewater	Somerset	\$422,770	\$7,054
North Plainfield	Somerset	\$422,770	\$11,762
Newton	Sussex	\$313,026	\$9,004
Elizabeth	Union	\$429,801	\$10,738
Westfield	Union	\$429,801	\$8,101
Phillipsburg	Warren	\$283,015	\$6,846

*Tennessee...where the value of your home
is only surpassed by the beauty of your surroundings.*

 TENNESSEE MAIN STREET PROGRAM COMMUNITIES

Bristol	Dandridge	Jackson	Ripley
Cleveland	Dyersburg	Leiper's Fork	Rogersville
Collierville	Fayetteville	Kingsport	Savannah
Columbia	Franklin	McMinnville	Tiptonville
Cookeville	Gallatin	Morristown	Union City
Dayton	Greeneville	Murfreesboro	White

TENNESSEE DOWNTOWNS-Round 1

Celina-Clay County	Monterey-Putnam County
Erwin-Unicoi County	Mount Pleasant-Maury County
Jefferson City-Jefferson County	Paris-Henry County
Martin-Weakley County	Selmer-McNairy County
Milan-Gibson County	Sweetwater-Monroe County

 RETIRE TENNESSEE COMMUNITIES

Cumberland	Loudon	Warren
Franklin	Maury	White
Hamilton	Putnam	
Hardin	Roane	
Henry	Robertson	
Jefferson	Sullivan	

TENNESSEE DOWNTOWNS-Round 2

Athens-McMinn County	McKenzie-Carroll County
Brownsville-Haywood County	Mountain City-Johnson County
Centerville-Hickman County	Pikeville-Bledsoe County
Henderson-Chester County	Red Boiling Springs-Macon County
Lewisburg-Marshall County	Rockwood-Roane County
Linden-Perry County	Smithville-DeKalb County

No one tells your story like you do

STATE OF TENNESSEE
www.RetireTennessee.org

CUMBERLAND COUNTY
Crossville-Fairfield Glade
www.crossville-chamber.com

CROSSVILLE
IT'S JUST BETTER HERE TENNESSEE
Breathe

OUR WAY OF LIVING

Crossville is known as the "Golf Capital of Tennessee" and is home to Fairfield Glade, one of the premier retirement and vacation resorts in the entire nation. The area chooses to live here. And you can't forget Upland Village as well as Lake Tansi, another top-notch golf and retirement resort community, and the unique Gardens Village, an RV community. In fact, Crossville and Cumberland County have a total of 10 championship golf courses, including the Jack Nicklaus-Designed Bear Trace at Cumberland Mountain State Park and the Stonehenge Golf Club at Fairfield Glade.

Everyone has the desire to reside in a community that has the appeal of a homecoming. Our reputation is based on the fact that you will feel at home among the citizens and in the midst of our natural beauty. Whether you are seeking a townhome, a farm with acres of enjoyment, an elegant ranch home or a country in a traditional-rich community. The frustrations and bothersome rush of city life immediately disappear in Crossville-Cumberland County. If you seek a lifestyle and not a location Crossville-Cumberland County awaits you. Our community aspires to closeness, concerns itself with the well being of others and mindfully strives to improve the quality of life for its citizens.

View from "The Bluffs" at Fairfield Glade.

FOR MORE INFORMATION
www.crossville-chamber.com
1-877-GOLF TN 1 (465-3861)

CAPTIVATING SCENERY

Fresh country air, breath-taking views, friendly people, a thriving economy and exceptional health care facilities are among the many inviting attractions that contribute to a vitality that businesses and residents alike find irresistible. Here you will find all the qualities associated with "small town life" complemented by the amenities available in larger metropolitan areas. There are many reasons why this area has been voted one of the nation's most desirable places to live. However, make sure not to miss our natural attractions, such as Ozone Falls State Natural Area, the 82,000 acre Catoosa Wildlife Management Area, Obed River Park - Arboretum Trail.

Just off I-40, Crossville is centrally located from Nashville, Knoxville and Chattanooga.

1-877-GOLFTN1 (465-3861) email: Ashley.Allen@Crossville-Chamber.com

STATE OF TENNESSEE
www.RetireTennessee.org

SULLIVAN COUNTY
Kingsport - Bristol
www.MoveToKingsport.com
www.MoveToBristol.org

A tale of two cities...
and infinite possibilities

Located at the crossroads where the paths of four states intertwine, Sullivan County, Tennessee, which includes the cities of Bristol and Kingsport, is uniquely situated within a day's drive of half the United States' population. Sullivan County offers an exceptional quality of life, with low cost of living and moderately priced real estate. Located in the foothills of the Appalachian Mountains, four distinct seasons and a temperate climate offer abundant opportunities for outdoor recreation. This favorable location, with an efficient infrastructure and a population with a strong work ethic, make Sullivan County a highly desirable place to live.

Transportation:

- Seven major interstate highways converge in Tennessee
- Nearest Airport: Tri-Cities Regional Airport, TN/VA, Foreign Trade Zone Designation, US Customs Office, Port #2082
- Airlines Serving: Allegheny Airlines, Connection, Northeast, Eastern, Airways Express
- Commercial Motor Vehicle Services: Bus Lines
- Charter Motorcoaches: Zehn Express Coach, Inc., Green Coach Co., Inc., Victory Coach Co., Inc.
- Local Transit Service: Kingsport Area Transit Service (KATS); Bristol Tennessee Transit
- Interstate Highways: I-81, I-25
- Railroads: Norfolk and Southern, CSX

Mileage From Other Cities:

City	Miles	Driving Time
Atlanta, GA	313	4:53
Charlotte, NC	185	3:30
Fayetteville, SC	354	5:42
Indianapolis, IN	584	9:50
Lexington, OH	298	5:20
London, OH	475	7:30
Memphis, TN	940	15:00
Nashville, TN	487	7:30
Philadelphia, PA	275	4:20
Pittsburgh, PA	413	6:55
Washington, DC	400	6:15

Climate:

Average temperature 57.5°F
Monthly Average High Temp:
• January 45.7°F
• July 87.1°F

Monthly Average Low Temp:
• January 26.4°F
• July 64.5°F

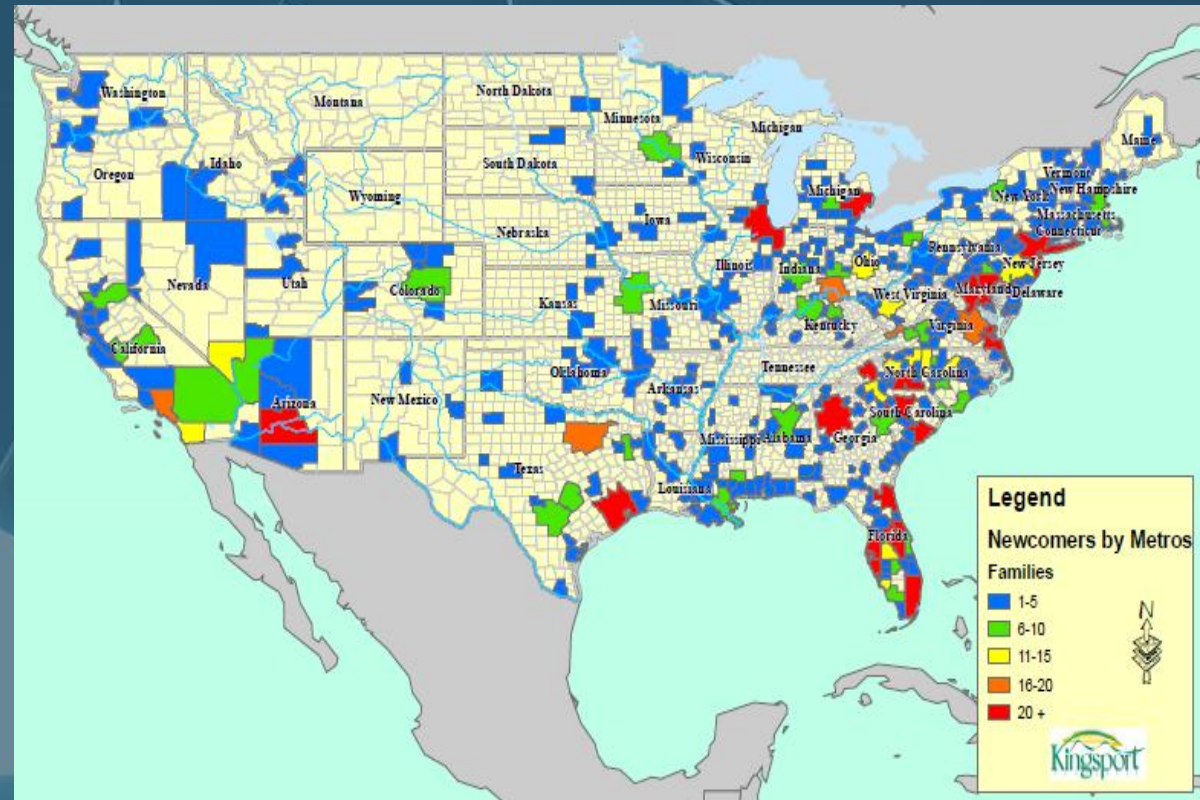
Average Precipitation 43.8"
Average Snowfall 15"
Elevation 1,284'
Prevailing Winds Southwest

Mean Length of Freeze Free Period (Days)

Measure your success! Top Metros Moving to Kingsport

2,608 families relocated from all 50 states & DC (2006-2012)

1	Tampa Bay, FL
2	Washington, DC-VA-MD-WV
3	Atlanta, GA
4	Miami-Ft Lauderdale, FL
5	New York-Northern NJ
6	Asheville, NC
7	Charlotte, NC-SC
8	Orlando, FL
9	Virginia Beach-Norfolk, VA-NC
10	Deltona-Daytona, FL
11	Detroit, MI
12	Chicago, IL-IN-WI
13	Houston, TX
14	Baltimore, MD
15	Charleston, SC
16	Phoenix, AZ
17	Jacksonville, FL
18	Sarasota-Bradenton, FL
19	Columbia, SC
20	Dallas-Fort Worth, TX
21	Cincinnati, OH-KY-IN





Annual Economic Impact of Newcomers

An example of Kingsport, Tennessee

+507 families (July 2005-December 2012)
x 2.3 persons per family on average
= 1,166 new residents

Each resident generates \$25,000 in consumer expenditures
 $1,166 \times \$25,000 = \text{\textbf{\$29,152,500 per year}}$

Consuming services and creating demand for jobs in medical, pharmacy, finance, insurance, real estate, food, retail, etc.

Public cost per person = $\$55,000 \text{ per year} \times 6 \frac{1}{2} \text{ years} / 1,166 \text{ people} = \$307/\text{person}$

Not a bad return on investment for a non-traditional economic development program

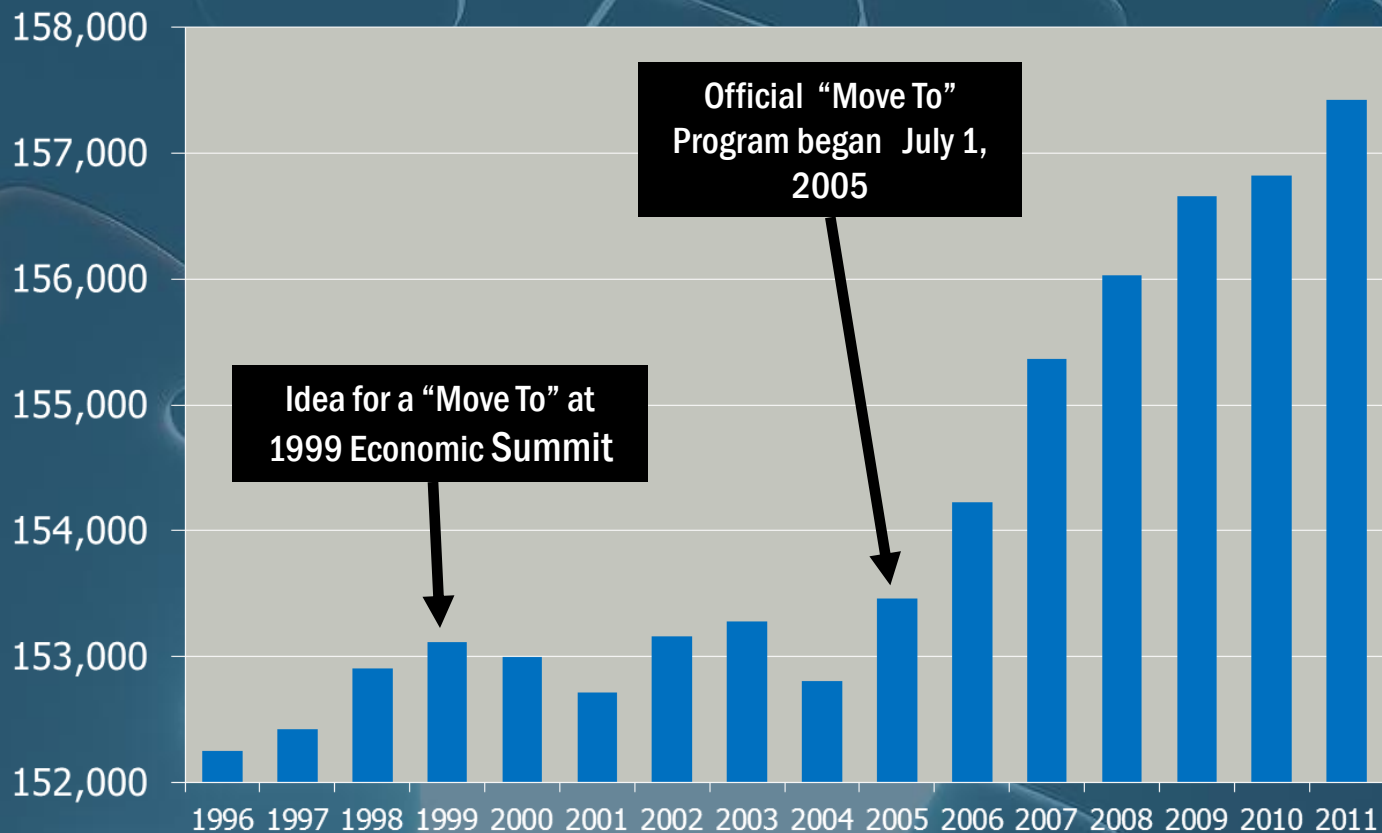
“...the money that people actually pull out of their paychecks and bank accounts to pay for domestically-produced goods and services drives about **40% of economic activity**...”

Source: Dr. Michael Mandel,
Harvard Graduate,
Bloomberg BusinessWeek



Population of Sullivan County, Tennessee

3,956 people x \$25,000 per person = \$98,900,000 annual consumer spending
(2005-2011)



Source: U.S. Census Table 1. Intercensal Estimates of the Resident Population for Counties of Tennessee: April 1, 2000 to July 1, 2010 (CO-EST00INT-01-47) Source: U.S. Census Bureau, Population Division
Release Date: September 2011



Non-traditional economic development strategy:

Recruiting Retail Sales

Note: 3rd time I've said this today! →

“...the money that people actually pull out of their paychecks and bank accounts to pay for domestically-produced goods and services drives about **40% of economic activity...**”

Source: Dr. Michael Mandel, Harvard Graduate,
Bloomberg BusinessWeek



Distribution of Local Option Sales Tax in Tennessee

Sullivan County example

\$31,010,139 collected annually in City of Kingsport

**\$1.00
Sales Tax
Revenue
Collected**

*If the sale leaves the
County (or State) 100%
of the revenue is lost*

\$15,979,500
**\$0.50
City General
Fund**

*This formula is
generally the same
throughout Tennessee*

\$15,979,500
**\$0.50
Countywide
Schools**

*This formula varies depending on # of school
systems in county and percentage of
students per system →*

**52%
Sullivan
County
Schools**

\$8,235,834

**30%
Kingsport
City
Schools**

\$4,798,350

**18%
Bristol
City
Schools**

\$2,876,310



A lot is at stake. Are you getting your fair share? First, the winners...

20 minutes Drive Time (from Downtown or Market Center)	Sales compared to demand	Actual Sales*	Natural Demand	Attractive Sales	Redirected Revenue (@ 2.5%)
Nashville	2.2	\$ 12,239,788,902	\$ 5,563,540,410	\$ 6,676,248,492	\$ 166,906,212
Knoxville	1.8	\$ 6,824,182,099	\$ 3,791,212,277	\$ 3,032,969,822	\$ 75,824,246
Franklin-Brentwood	1.9	\$ 4,572,590,132	\$ 2,406,626,385	\$ 2,165,963,747	\$ 54,149,094
Chattanooga	1.6	\$ 4,063,980,826	\$ 2,539,988,016	\$ 1,523,992,810	\$ 38,099,820
Huntsville-Madison, AL	1.5	\$ 4,563,077,807	\$ 3,042,051,871	\$ 1,521,025,936	\$ 38,025,648
Gallatin- Hendersonville	1.8	\$ 2,695,569,779	\$ 1,497,538,766	\$ 1,198,031,013	\$ 29,950,775
Jackson	2.1	\$ 2,074,462,325	\$ 987,839,202	\$ 1,086,623,123	\$ 27,165,578
Farragut-Oak Ridge	1.9	\$ 2,215,609,501	\$ 1,166,110,264	\$ 1,049,499,237	\$ 26,237,481
Johnson City	1.6	\$ 2,760,392,889	\$ 1,725,245,556	\$ 1,035,147,333	\$ 25,878,683
Sevierville-Pigeon Forge	2.2	\$ 1,531,627,454	\$ 696,194,297	\$ 835,433,157	\$ 20,885,829

Based on market, not municipality. Not an exhaustive list of all markets.
Source: Buxton



A lot is at stake. Are you getting your fair share? The donors...

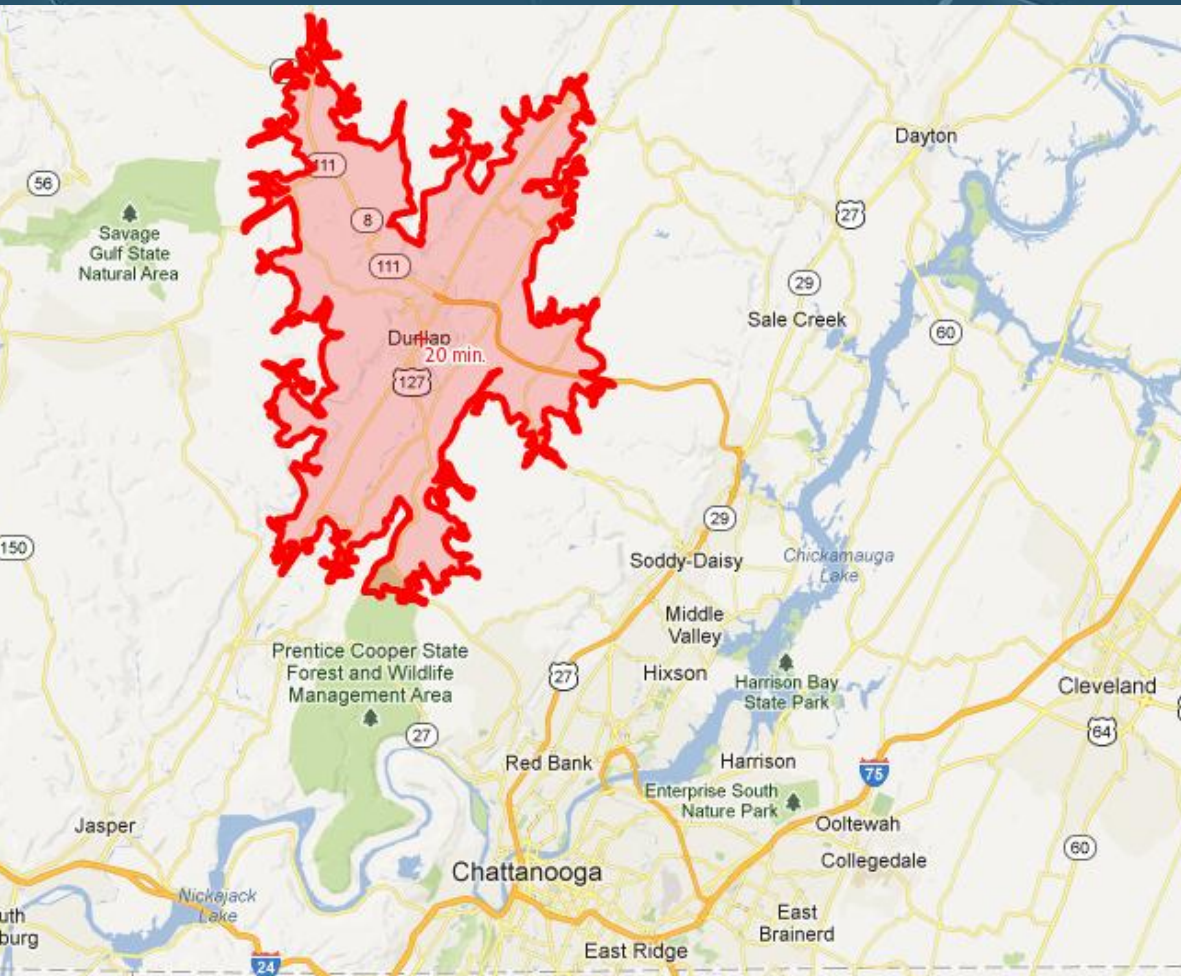
20 minutes Drive Time (from Downtown or Market Center)	Sales compared to demand	Actual Sales*	Natural Demand	Attractive Sales	Redirected Revenue (@ 2.5%)
Winchester	0.8	\$ 315,827,495	\$ 394,784,369	\$ (78,956,874)	\$ (1,973,922)
Huntingdon	0.6	\$ 141,998,725	\$ 236,664,542	\$ (94,665,817)	\$ (2,366,645)
La Follette	0.7	\$ 226,836,444	\$ 324,052,063	\$ (97,215,619)	\$ (2,430,390)
Martin	0.7	\$ 236,285,717	\$ 337,551,024	\$ (101,265,307)	\$ (2,531,633)
Springfield	0.8	\$ 450,927,985	\$ 563,659,981	\$ (112,731,996)	\$ (2,818,300)
Dunlap	0.3	\$ 48,808,932	\$ 162,696,440	\$ (113,887,508)	\$ (2,847,188)
Somerville	0.3	\$ 55,125,686	\$ 183,752,287	\$ (128,626,601)	\$ (3,215,665)
Kingston-Harriman- Rockwood	0.7	\$ 312,029,081	\$ 445,755,830	\$ (133,726,749)	\$ (3,343,169)
Millington	0.6	\$ 927,219,798	\$ 1,545,366,330	\$ (618,146,532)	\$ (15,453,663)

Based on market, not municipality. Not an exhaustive list of all markets in TN.

Source: Buxton



Example: Dunlap/Sequatchie County



Within a 20 minute drive time,
Dunlap has:

**\$162.7 million in market
demand**

\$48.8 million in actual sales

**Therefore, \$113.9 million is
spent elsewhere**

**Resulting in an annual loss of
\$2.8 million in sales tax
collections**



We hear a lot about Tennessee's high sales tax, but do you really save by shopping out-of-state?

	State	Optional Local	TOTAL (max)	Tax on a \$250 purchase	Cost to drive 20 miles x roundtrip	True Cost or (Savings)
Tennessee	7.00%	2.75%	9.75%	\$ 24	shop local	shop local
Alabama	4.00%	8.00%	12.00%	\$ 30	\$ 23	\$ 28
Georgia	4.00%	4.00%	8.00%	\$ 20	\$ 23	\$ 18
North Carolina	4.75%	3.50%	7.25%	\$ 18	\$ 23	\$ 16
Virginia	4.00%	1.00%	5.00%	\$ 13	\$ 23	\$ 11
Kentucky	6.00%	-	6.00%	\$ 15	\$ 23	\$ 13
Missouri	4.23%	5.38%	9.60%	\$ 24	\$ 23	\$ 22
Arkansas	6.00%	5.00%	11.00%	\$ 28	\$ 23	\$ 26
Mississippi	7.00%	0.25%	7.25%	\$ 18	\$ 23	\$ 16
taxrates.com						

Even if you spend \$250, it actually costs more to drive 20 miles to shop in another state. If you spend less than \$250, the cost is exaggerated even more!

Target Marketing: What is your market's supply/demand? How do you know?

15-min Kingsport Town Center (15 minute drive time)

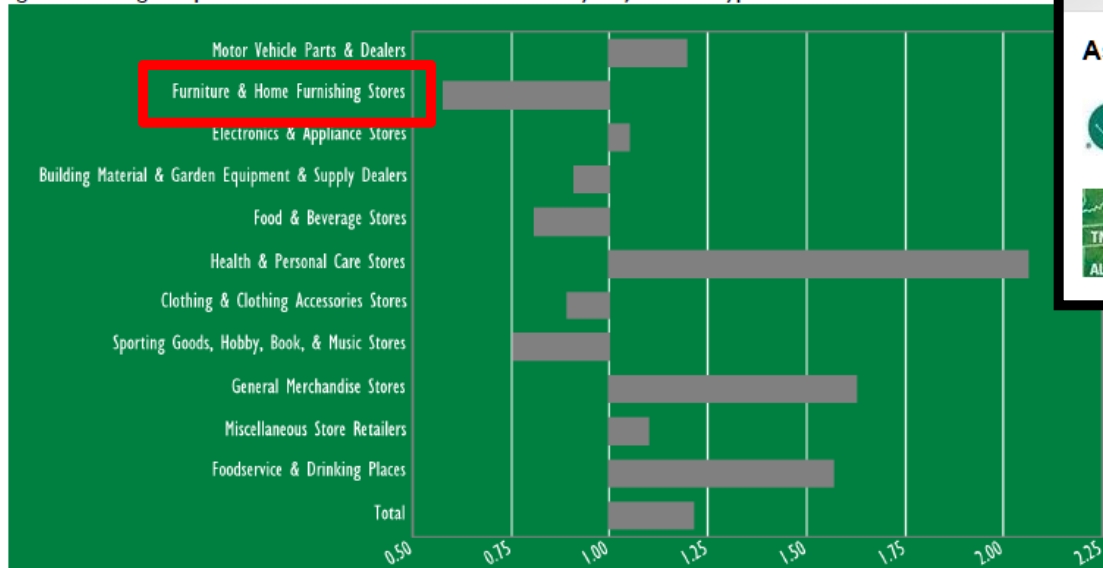
Retail Leakage and Surplus Analysis

Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 1 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 1. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types



THURSDAY, APRIL 12, 2012

Ashley Furniture coming to East Stone Commons



INLAND WESTERN
Retail Real Estate Trust, Inc.



It's only a tool in your tool box. It's not perfect. You still have to recruit.

LongHorn Steakhouse coming to Kingsport

■ **LongHorn** Steakhouse plans to construct its newest restaurant on East Stone Drive, across from Buffalo Wild Wings.

By SHARON CASKEY HAYES
shayes@timesfree.com

KINGSFORT — Another national restaurant chain is coming to Kingsport.

LongHorn Steakhouse plans to construct its newest restaurant on East Stone Drive, across from Buffalo Wild Wings.

The company has secured a demolition permit and next week expects to begin demolishing the old Title Loan building and Fisherman's Dock restaurant at the corner of Stone Drive and Indian Trail to make way for the new restaurant.

LongHorn Steakhouse is part of the Darden Restaurants family, which also includes Red Lobster and Olive Garden. Spokesman



LongHorn Steakhouse plans to build its newest restaurant in Kingsport. Demolition is expected to begin next week on the old Title Loan building and Fisherman's Dock restaurant to clear the site at the corner of East Stone Drive and Indian Trail. The company hopes to open for business by the end of the year.

Rich Jeffers said the company is expanding the LongHorn Steakhouse concept and decided to locate in Kingsport based on the success here of its sister restaurant, Olive Garden.

"We're really looking to growing in markets where we have seen proven success of our sister brands. And it (Kingsport) is an excellent opportunity for our steakhouse," Jeffers said.

He said the company must still secure a building permit. Once that is in hand and demolition of the old buildings is complete, Please see NEW, page 2A

Site Match Report - Longhorn Steakhouse

Date: Tuesday, 04 October, 2011

Site Description: Kingsport Pavilion

Latitude: 36.550125 Longitude: -82.493033

State: TN

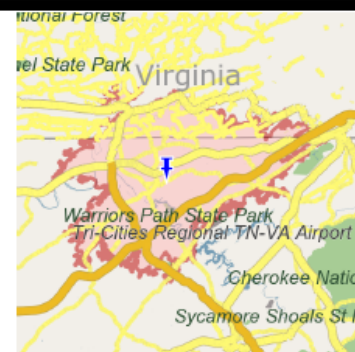
Region: ESC

Buxton Urban Density Score (BUDS): 2

Drivetime: 20 Minutes

Match Level: Regional

Profile Match: Households



Longhorn Steakhouse

Number of Matched Locations: 22

Profile Match Quality

Match Score: 68.25 - Match Quality: Stretch

Consumer Density

Consumer Density Score: 88.33 % - Density Quality: Comparable

Site Consumers: 53,125

Company Average Consumers: 60,142



Since 2005, Kingsport has landed 1.1 million square feet on a **redeveloped** site

KOHL'S

stir fry cafe



EVERY SEASON STARTS AT
DICK'S
SPORTING GOODS.

BEEF 'O' BRADY'S
* GOOD FOOD, GOOD SPORTS *

FLEET FEET
Sports

DUNKIN' DONUTS

Panera BREAD



FOOD CITY

SHOE CARNIVAL

BARBERITOS
A SOUTHWESTERN GRILLE & CANTINA

LONGHORN STEAKHOUSE

Olive Garden
ITALIAN RESTAURANT



CHRYSLER

Jeep

DODGE



HOBBY LOBBY

Target.



dressbarn
LANE BRYANT



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AspenDental

THE CHILDREN'S
PLACE

PET SMART

Pier 1 imports

ROSS
DRESS FOR LESS



AÉROPOSTALE



T.J. maxx

Michaels
Imagine.



Promote more than just “big boxes” ...



Big things come from **small boxes**

Shop with local, independent stores today;
they'll fund your community the rest of the year.

Where you purchase matters.

For every \$100 spent, this much returns to your community:

Locally owned, independent brick & mortar store: \$ 68
National chain or “big box” store: \$ 43
Online store (unless you live in the very same place): \$ 0

the350project.net
SAVING THE BRICK & MORTARS
OUR NATION IS BUILT ON

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Download *free* high-resolution promotional materials, postcards, window signs, large banners at www.the350project.net

- Downtown Kingsport continues to see phenomenal growth in property value

- **KINGSPORT** – Between 2011 and 2012, Downtown Kingsport continued to see phenomenal growth in taxable property value, jumping by \$22.7 million during the period according to Sullivan County public tax records. This represents the prior year's investment rolling onto the tax rolls.

Keep the
Cheer
Here

Independent local merchants return 68% of their revenue to the community.
Big boxes, national chains? Only 13%-43% returns.
Out-of-town websites? Zero. Zip. Nada.



Locals love you
more

Locally owned, independent merchants
return 68% of their income to your local economy.
National chains? 43% (or less).
Online sellers? Zip. Zero. Nada.

So...who **really** loves ya, baby?



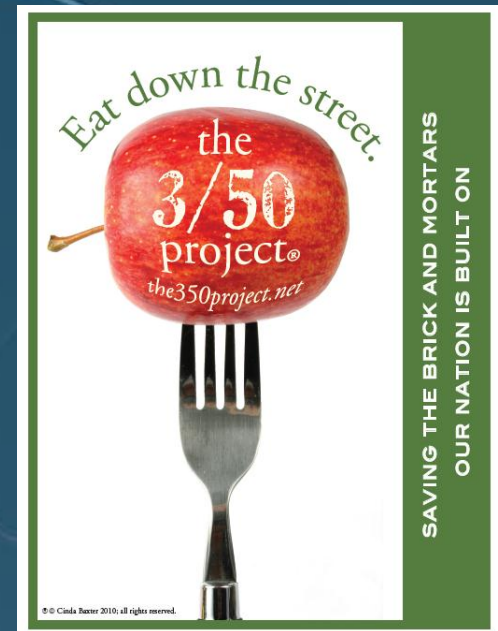
Learn more:
the350project.net

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What do social media websites say about your local restaurants? www.tripadvisor.com

- Uptown Bistro, Savannah, TN
- Tomato Head, Knoxville
- Bluegrass Grill, Chattanooga
- Mauricio's, Cookeville
- Olive Pit, Paris, TN
- Collins River BBQ, McMinnville
- Phil's Dream Pit, Kingsport
- Forte's on the Square, Crossville
- Bacara's, Jamestown
- Catfish Cabin, Jackson
- The Cookie Jar, Dunlap

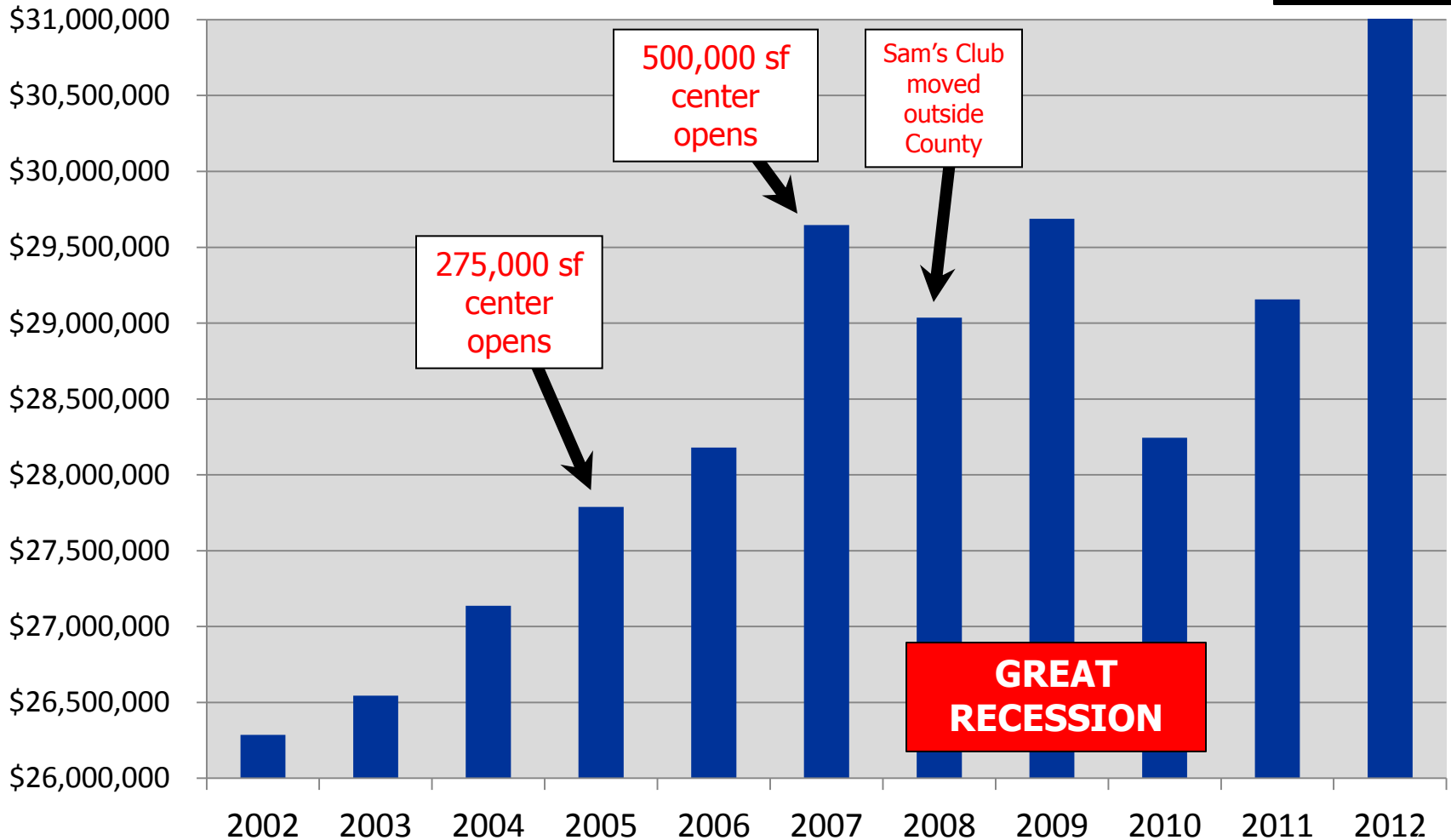


No franchises made the list...not Red Lobster, Olive Garden, nor even Ruth's Chris Steakhouse

Retail Sales Tax Collections

Kingsport, Tennessee
by Fiscal Year

**18%
INCREASE
2002-2012**





In summary

- No one knows your community like you do!
- No one loves your community like you do!
- No one tells your story like you do!
- People are tiring of franchise purgatory, but tax formulas require that we care.
- All things in moderation!
- Be unique! Be original!
- So what are you waiting for?!

